Audit of Forest Planning and Practices

Robson Valley Forest District
Small Business Forest Enterprise Program

FPB/ARC/40

April 2001

101-04073/

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Report from the Board

A. Report from the Board

This is the Board's report on a compliance audit of the Robson Valley Forest District Small Business Forest Enterprise Program (Robson Valley SBFEP). The Robson Valley SBFEP is operated within the Robson Valley Forest District, which is located in east-central British Columbia and lies primarily within the Rocky Mountain trench (see attached map). The audit examined the Robson Valley SBFEP's planning, field activities and obligations related to operational planning, timber harvesting, silviculture, fire protection and the construction, maintenance and deactivation of roads for the period of Sept. 27, 1999 to Sept. 29, 2000.

The Report from the Auditor (Part C) provides further details on the location of the Robson Valley SBFEP operating areas, the scope of the audit and the audit findings. The Report from the Auditor is based on the audit procedures described in Part B[1].

Before completing this report, the Board considered written representations from the Robson Valley Forest District, as required under section 182 of the *Forest Practices Code of British Columbia Act*. The Board also considered the Report from the Auditor along with supporting audit evidence. The Board affirms the auditor's findings and conclusions.

Conclusions

The Robson Valley SBFEP's operational planning, timber harvesting, silviculture, fire protection and road construction, maintenance and deactivation activities complied with Forest Practices Code (*Forest Practices Code of British Columbia Act* and related regulations) requirements in all significant respects.

The identified instances of "not-significant non-compliance" did not indicate a pervasive trend, and were not associated with actual or potential significant harm to persons or the environment.

The audit noted inadequate drainage control on the Howard Forest Service Road in Buster Creek. Subsequent to the audit, the Robson Valley Forest District commenced negotiations with a licensee to assume responsibility for this road. Once the ownership issue is resolved, the road will either be completed or deactivated, as required. In the interim, the Robson Valley SBFEP has removed the temporary drainage structures (log bundles) and has replaced them with cross ditches. The Board notes the district's diligence in promptly addressing the drainage control concerns raised in the audit.

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[1] Part B of this document provides background information on the Board's audit program and the process followed by the Board in preparing its report.

The Board also notes that while many of the specific practices related to the *Robson Valley Land and Resource Management Plan* have yet to be fully determined, it was evident that key elements of the biodiversity strategies are being implemented.

W.N. (Bill) Cafferata, R.P.F.
Chair

March 16, 2001

Forest Practices Board Compliance Audit Process

B. Forest Practices Board Compliance Audit Process

Background

The Forest Practices Board conducts audits of government's and agreement holder's compliance with the *Forest Practices Code of British Columbia Act* and regulations (the Code). The Board is given the authority to conduct these periodic independent audits by section 176 of the Act. Compliance audits examine forest planning and practices to determine whether or not they meet Code requirements.

The Board undertakes both "limited scope" and "full scope" compliance audits. A limited scope audit involves the examination of selected forest practices (e.g., roads, or timber harvesting, or silviculture) and the related operational planning activities. A full scope audit examines all operational planning activities and forest practices.

The Board determines how many audits it will conduct in a year, and what type of audits (limited or full scope), based on budget and other considerations. The Board audits agreement holders who have forest licences or other tenures under the *Forest Act* or the *Range Act*. The Board also audits government's Small Business Forest Enterprise Program (SBFEP) which is administered by Ministry of Forests district offices. Selection of agreement holders and district SBFEPs for audit is done randomly, using a computer program, to ensure a fair, unbiased selection of auditees.

Audit Standards

Audits by the Forest Practices Board are conducted in accordance with the auditing standards developed by the Board. These standards are consistent with generally accepted auditing standards.

The audits determine compliance with the Code based on criteria derived from the *Forest Practices Code of British Columbia Act* and its related regulations. Audit criteria are established for the evaluation or measurement of each practice required by the Code. The criteria reflect judgments about the level of performance that constitutes compliance with each requirement.

The standards and procedures for compliance audits are described in the Board's *Compliance Audit Reference Manual*.

Audit Process

Conducting the Audit

Once the Board selects an audit and decides on the scope of the audit (limited scope or full scope), the staff and resources required to conduct the audit and the period covered by the audit are determined. Board staff also meet with the party being audited to discuss the logistics of the audit before commencing the work.

All the activities carried out during the period subject to audit are identified; for example, harvesting or replanting sites and building or deactivating road sections during the audit period. The items that make up each forest activity are referred to as a "population." For example, all sites harvested form the "timber harvesting population." All road sections constructed form the "road construction population." The populations are then sub-divided based on factors such as the characteristics of the sites and the potential severity of the consequences of non-compliance on the sites.

The most efficient means of obtaining information to conclude whether there is compliance with the Code is chosen for each population. Because of limited resources, sampling is usually relied upon to obtain audit evidence, rather than inspecting all activities.

Individual sites and forest practices within each population have different characteristics, such as the type of terrain or type of yarding. Each population is divided into distinct sub-populations on the basis of common characteristics (e.g., steep ground vs. flat ground). A separate sample is selected for each population (e.g., the cutblocks selected for auditing timber harvesting). Within each population, more audit effort (i.e., more audit sampling) is allocated to the sub-population where the risk of non-compliance is greater.

Audit work in the field includes assessments from helicopters and intensive ground procedures such as the measurement of specific features like road width. The audit teams generally spend two to three weeks in the field.

Evaluating the Results

The Board recognizes that compliance with the many requirements of the Code is more a matter of degree than absolute adherence. Determining compliance requires the exercise of professional judgment within the direction provided by the Board.

Auditors collect, analyze, interpret and document information to support the audit results. The audit team, composed of professionals and technical experts, first determines whether forest practices are in compliance with Code requirements. For those practices considered to not be in compliance, the audit team then evaluates the degree to which the practices are judged not in compliance. The significance of the non-compliance is determined based on a number of criteria including the magnitude of the event, the frequency of its occurrence, and the severity of the consequences.

As part of the assessment process, auditors categorize their findings into the following levels of compliance:

Compliance – where the auditor finds that practices meet Code requirements.

Not significant non-compliance – where the auditor, upon reaching a non-compliance conclusion, determines that a non-compliance event, or the accumulation and consequences of a number of non-compliance events, is not significant and is not considered worthy of reporting.

Significant non-compliance – where the auditor determines that the event or condition, or the accumulation and consequences of a number of non-compliance events or conditions, is significant and is considered worthy of reporting.

Significant breach – where the auditor finds that significant harm has occurred or is beginning to occur to persons or the environment as a result of the non-compliance. A significant breach can also result from the cumulative effect of a number of non-compliance events or conditions.

Identification of a possible significant breach requires the auditor to conduct tests to confirm whether or not there has been a breach. If it is determined that a significant breach has occurred, the auditor is required by the *Forest Practices Board Regulation* to immediately advise the Board, the party being audited, and the Ministers of Forests, Energy & Mines, and Environment, Lands & Parks.

Reporting

Based on the above evaluation, the auditor then prepares the "Report from the Auditor" for submission to the Board. The party being audited is given a draft of the report before it is submitted to the Board so that the party is fully aware of the findings. The party is also kept fully informed of the audit findings throughout the process, and is given opportunities to provide additional relevant information and to ensure the auditor has complete and correct information.

Once the auditor submits the report, the Board reviews it and determines whether any party or person is potentially adversely affected by the audit findings. If so, the party or person must be given an opportunity to make representations before the Board decides the matter and issues a final report to the public and government. The representations allow potentially adversely affected parties to present their views to the Board.

At the discretion of the Board, representations may be written or oral. The Board will generally offer written representations to potentially adversely affected parties, unless the circumstances strongly support the need for an oral hearing.

The Board then reviews both the report from the auditor and the representations before preparing its final report, which includes the Board's conclusions and, if appropriate, recommendations.

If the Board's conclusions or recommendations result in newly adversely affected parties or persons, additional representations would be required.

Once the representations have been completed, the report is finalized and released: first to the auditee and then to the public and government.

Report from the Auditor

C. Report from the Auditor

1.0 Introduction

As part of the Forest Practices Board's 2000 compliance audit program, the Ministry of Forest's Small Business Forest Enterprise Program (SBFEP) in the Robson Valley Forest District was selected for audit from the population of Small Business Forest Enterprise Programs within the province. The Robson Valley SBFEP was selected randomly and not on the basis of location or level of performance.

The SBFEP is a program within which the Ministry of Forests awards timber sale licences to small business operators. The Ministry of Forests and individual licensees each have separate but inter-related roles and responsibilities within the program:

- The district manager is responsible for the overall management and performance of the SBFEP. This includes preparing and giving effect to the forest development plan[i] and silviculture prescriptions[ii], some road construction, maintenance and deactivation, as well as meeting silviculture obligations. The district manager can also choose to prepare and give effect to logging plans[iii] that small business licensees must follow.
- The small business licensees who have been awarded timber sale licences (TSL holders) through the SBFEP have a number of legal responsibilities, as reflected in their timber sale licence, and other permits (road permits and road use permits). These responsibilities may include some construction, maintenance and deactivation of roads and ensuring that all operations—including harvesting—are carried out in compliance with the *Forest Practices Code of British Columbia Act* and related regulations (the Code).

The district responsibilities and individual TSL holder responsibilities and performance are closely linked. The planning done by the district can impact directly on the TSL holders' ability to adequately carry out their responsibilities. The quality of a licence holder's timber harvesting activities can affect a district's ability to adequately carry out their work, such as silviculture obligations, after logging is completed.

The Robson Valley SBFEP operates within the Robson Valley Forest District. This district is in east-central British Columbia and lies primarily within the Rocky Mountain trench, with the Cariboo and Monashee Mountains to the west and the Rocky Mountains and Alberta border to the east. The largest communities within the district are McBride and Valemount (see attached map).

The Robson Valley SBFEP has an allowable annual cut of 105,000 cubic metres within the Robson Valley Timber Supply Area with operations scattered throughout the district. The actual volume cut during the audit period was approximately 107,000 cubic metres.

2.0 Audit Scope

The audit examined the activities of the Robson Valley SBFEP in the areas of operational planning (including forest development plans and silviculture prescriptions); timber harvesting; silviculture; fire protection and road construction, maintenance and deactivation.

These activities were assessed for compliance with the *Forest Practices Code of British Columbia Act* and related regulations. All activities, planning and obligations for the period September 27, 1999, to September 29, 2000, were included in the scope of the audit.

The Robson Valley SBFEP activities carried out during the audit period were:

- harvesting on 16 cutblocks
- harvesting on 191 cash sale licences under exemptions from silviculture prescriptions
- construction of 6 road sections, totalling 25.4 kilometres
- construction or modification of 6 bridges
- maintenance of 22 bridges and approximately 201 kilometres of road, involving activities such as road surfacing and the cleaning of culverts and ditches
- permanent and semi-permanent deactivation on 2 roads, totalling 29.9 kilometres
- silviculture activities, such as site preparation, planting, brushing and regeneration surveys on 56 cutblocks
- protection activities including fire preparedness planning, fuel management and hazard abatement.

Activities carried out by the Robson Valley SBFEP during the audit period fell under the 1999-2004 forest development plan. In addition, a total of 24 silviculture prescriptions were approved during the period.

Section 3 describes the results of the audit. The Board's *Compliance Audit Reference Manual Version 4.1, May 2000* sets out the standards and procedures that were used for the audit.

3.0 Audit Findings

Planning and practices examined

The audit work on selected roads and cutblocks included ground-based procedures and assessments from the air using helicopters. The audit examined the following practices:

- harvesting practices on 9 cutblocks harvested during the audit period
- harvesting practices on 16 cash sale licences under exemptions from silviculture prescriptions
- construction of 6 road sections totalling 25.4 kilometres
- construction or modification of 6 bridges
- maintenance of 16 bridges and approximately 160 kilometres of road
- permanent and semi-permanent deactivation on 2 roads totalling 29.9 kilometres
- silviculture activities on 13 cutblocks
- fire preparedness at 3 active timber harvesting sites.

The audit also examined the forest development plan and three silviculture prescriptions where harvesting activities had not yet started.

In addition to the above samples, the audit team examined all of the SBFEP operating areas at an overview level in assessing the forest development plan. This was achieved through helicopter overview flights that examined a high proportion of the remaining planned and harvested cutblocks within the audit population, as well as specific management challenges to be addressed in the plan such as forest health, visual landscape and caribou habitat.

Findings

The audit found that the Robson Valley SBFEP complied, in all significant respects, with the operational planning; timber harvesting; silviculture; fire protection; road construction, maintenance and deactivation requirements of the Code. Those instances of non-compliance that were identified did not indicate a pervasive trend, and were not associated with actual or potential significant harm to persons or the environment.

4.0 Other Comments

Operational Planning Requirements of the Forest Practices Code

The Robson Valley SBFEP forest development plan was required to specify measures that would be carried out to protect forest resources (*Forest Practices Code Act S.10(1)(c)*). To meet this requirement, the plan had to meet the specific requirements of the *Operational Planning Regulation* and the objectives of any landscape level plans which had been designated by government as higher level plans.

Under the Forest Practices Code, such landscape level planning is expected to provide direction to forest development plans through the setting of landscape level objectives, which typically include objectives for the maintenance of successional stages of the forest, biodiversity and for the management of habitat for specific species, such as grizzly bear.

In the Robson Valley Forest District such direction is provided by the *Robson Valley Land and Resource Management Plan* (LRMP) and associated objectives contained in draft landscape unit plans. However, at the time of submission of the SBFEP's forest development plan, there were no plans designated as higher level plans under the Code.

The LRMP was formally approved by Cabinet in April 1999. However as of August 2000, neither the LRMP nor any of the associated objectives in landscape unit plans have been declared as higher level plans under the Code.

In preparing its forest development plan, Robson Valley SBFEP noted that the draft LRMP and associated proposed biodiversity objectives were considered. As this audit was a compliance audit and these are not Code requirements, the audit did not specifically address the extent to which these objectives had been incorporated into the plan. However, while many of the specific practices related to the LRMP have yet to be fully determined, it was evident that key elements of the biodiversity strategies (such as practices in caribou habitat and around high-value grizzly bear habitat) are already implemented in the SBFEP's forest development plan.

Nature of the Robson Valley SBFEP's Small-Scale Salvage Program

The Robson Valley SBFEP's small-scale salvage program is a significant element of the overall SBFEP program for the district, making up approximately 20 percent of the SBFEP's allowable annual cut. The scale of the program presents considerable operational challenges for the SBFEP in managing the risk associated with multiple active permits–there were 191 active permits during the audit period. Based on the audit findings, the risk associated with the program appears to be effectively managed at this time. While instances of non-compliance were observed, these were neither significant nor pervasive in nature. The program has notable benefits, which include the creation of local employment, providing local access to special forest products (e.g., shakes and shingles), removing road hazards and addressing forest health concerns. Balancing the risks and the benefits associated with the program on an ongoing basis remains a challenge for the district.

Practices Requiring Improvement - Drainage Management in Buster Creek

The five-kilometre Howard Forest Service Road leading to block A43662 in Buster Creek showed evidence of inadequate drainage control, leading to erosion of sub-grade material from the road. This was due to the continued use of temporary drainage structures (log bundles) for drainage control over a four-year period rather than replacement with culverts and completion of the road. Although industrial activity had occurred on the road, the road had not been completed. This was due to uncertainty over continued access to the start of the road based on proposed road deactivation works in the area.

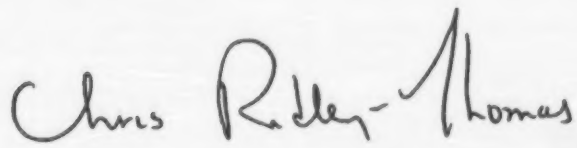
5.0 Audit Opinion

In my opinion, the operational planning, timber harvesting, silviculture, fire protection and road construction, maintenance and deactivation activities carried out by the Robson Valley Small Business Forest Enterprise Program from September 27, 1999 to September 29, 2000, were in compliance, in all significant respects, with the related Code requirements as of September 2000.

In reference to compliance, the term "in all significant respects" recognizes that there may be minor instances of non-compliance that either may not be detected by the audit, or that are detected but not considered worthy of inclusion in the audit report.

Sections 2 and 3 of this report from the auditor describe the basis of the audit work performed in reaching the above opinion. The audit was conducted in accordance with the auditing

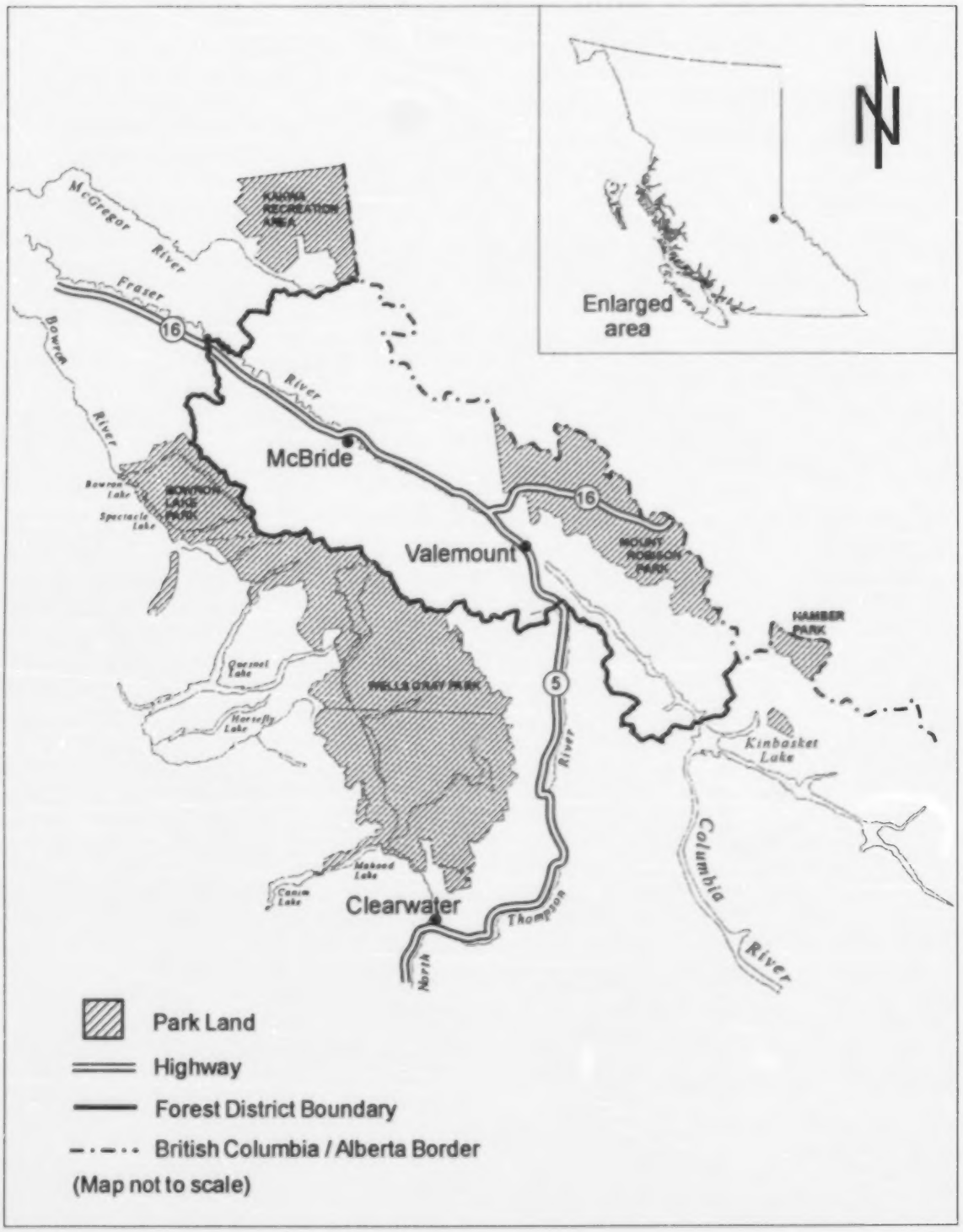
standards of the Forest Practices Board. Such an audit includes examining sufficient forest planning and practices to support an overall evaluation of compliance with the Code.



Chris Ridley-Thomas, R.P.Bio.
Auditor of Record
Vancouver, British Columbia

January 26, 2001

Audit of Robson Valley Forest District
Small Business Forest Enterprise Program



[i] A forest development plan is an operational plan that provides the public and government agencies with information about the location and scheduling of proposed roads and cutblocks for harvesting timber over a period of at least five years. The plan must specify measures that will be carried out to protect forest resources (including water, fisheries, and other forest resources). It must also illustrate and describe how objectives and strategies established in higher level plans, where they have been prepared, will be carried out. Site specific plans are required to be consistent with the forest development plan.

[ii] A silviculture prescription is a site specific operational plan that describes the forest management objectives for an area to be harvested (a cutblock). The silviculture prescriptions examined in the audit are required to describe the management activities proposed to maintain the inherent productivity of the site, accommodate all resource values including biological diversity, and produce a free growing stand capable of meeting stated management objectives. Silviculture prescriptions must be consistent with forest development plans that encompass the area to which the prescription applies.

[iii] A logging plan is an operational plan that details how, when, and where timber harvesting and road construction activities will take place in a cutblock, in accordance with the approved silviculture prescription and forest development plan for the area. Information about other forest resource values, plus all current field information for the area, must be clearly shown in the logging plan. Effective June 15, 1998, the requirement to have an approved logging plan for every cutblock was removed. Under current legislation, logging plans may be required at the District Manager's discretion but they are not required for every cutblock.